



CAPRICORN
DISTRICT MUNICIPALITY

GROWTH AND DEVELOPMENT STRATEGY 2040



May 2018



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The leadership and management of Capricorn are accelerating better planning and more coordinated and decisive action to change the fortunes of the majority of people living in the Capricorn District who still remain trapped within the structural framework of apartheid economic and spatial patterns.

The Capricorn District in Limpopo Province with Polokwane as its major centre is no different to many other parts of the country faced with persistent poverty, unemployment and inequality. Notwithstanding significant progress made in service delivery since 1994 and plethora of plans and resource commitments and government expenditure over the years, catching up to significantly improve the quality of life of people is proving to be difficult.

Capricorn District Municipality (CDM) recognises the fragmentation in planning and implementation stalling progress and thus reviewed the Growth and Development Strategy (GDS) 2030. The reviewed GDS will play an overarching driving role in coordinating strategies, plans, programmes and actions towards the desired inclusive economic growth and spatial transformation impact.

The reviewed GDS of the CDM has a two-fold strategic intention to mainstream:

1. An outward focus on the economy and engagements to improve the economy, by attracting investments and making social security for citizens a reality; and
2. An inward focus on securing funding, integrated planning and focused implementation of infrastructure projects to set up a foundation to bring about an improved quality of life.

To achieve this, four pillars will be the foundation of the **Growth and Development Strategy 2040** directing the approach to transformation, integration and building the desired future.

- Promoting Economic Growth and Development
- Spatial Transformation and Building an Integrated District
- Provision of Services
- Governance through IGR

Future growth will be developed through four strategic objectives which will guide the strategic intention outlined above:

- Attract Investment
- Invest in Infrastructure
- Develop Skills to support Economic Growth
- Make social security a reality

These four objectives will be reached through strategies, that will need defined projects and programmes, which will be prioritised for delivery during each 5-year local government term from now to 2040.

The Limpopo Development Plan (LDP) 2015-2019 sets out the provincial contributions to the NDP and the MTEF for the period and provides a framework for the strategic plans of each provincial government department, as well as the IDPs and sector plans of district and local municipalities. This GDS 2040 takes this into account, as the LDP aims to create a structure for the constructive participation of private sector business and organised labour towards the achievement of provincial growth and development objectives; and encourages citizens to be active in promoting higher standards of living in their communities.

INTRODUCTION

Building on the 2030 GDS: The Capricorn GDS, the 2030 Growth and Development Strategy, was compiled in 2011/2012. It is the basis for guiding the long-term development of the District and was confirmed in the 2017/18 adopted IDP and Budget. The GDS 2030 was an outcome of an intensive consultative process. It covers quite comprehensively the policy context within which growth and development occurs including the necessary alignment areas with key national and provincial plans. It provides a detailed status quo analysis of the economy and of service delivery, and based on this, it outlines economic growth scenarios, strategies and an implementation framework.

The objectives of the GDS 2030 were:

- i. Stimulating and raising economic growth.
- ii. Making the economy more labour absorbing.
- iii. Building a capable and developmental municipality.
- iv. Focusing on key capabilities such as infrastructure, social security and skills;
- v. Forging partnerships both within and outside the district;
- vi. Promoting active citizenship participation; and
- vii. Promoting social cohesion within the district.

According to the GDS economic growth is recognized as an imperative even though it is insufficient to address poverty and inequality. It must be accompanied with skills development and redistributive measures. This points to the notion that inclusive economic growth is the objective and a growth rate of at least 5,4% per annum is indicated to sustain the development of the district.

The GDS identifies five (5) key levers in attaining and maintaining at least 5,4% annual economic growth:

1. Spatial, Land and Environmental Development
2. Infrastructure Development
3. Education and Skills Development
4. Economic Growth and Development; and
5. Good Governance

The Key Strategic Priorities indicated were:

- Obtaining access to land for development;
- Growing and expanding the growth points;
- Promotion of endogenous growth within the targeted areas;
- Functional Land Use Management Systems;
- Optimise urban-rural linkages;
- Environmental management;
- Land claims have a severe impact on strategic planning for the area and should be a priority to be addressed;
- Protect valuable agricultural land;
- Protecting, managing and enhancing natural/ environmental assets;
- Sustainable resource management and use;
- Promotion of economic and social infrastructure;
- Infrastructure demand management planning;
- Management and maintenance of infrastructure;

- Upgrading the existing road network to improve accessibility and linkages between core areas and rural areas;
- Water Resource Management;
- Promotion of Integrated Human Settlements;
- Human Capital development;
- Skills Development Support;
- Growing the first economy;
- Developing the second economy;
- Building knowledge economy;
- Developing a sustainable and diversified industrial base;
- Good governance and partnership;
- Public Participation;
- Financial Viability; and Municipal Transformation and Organisational Development.

These levers and strategic priorities all remain relevant. However, considering the changing economic context in the country and, to further cohere a unified district-wide approach to address economic growth and development challenges, it was necessary to restate and refine the long- term development plan.

Massive challenges remain about significantly improving the quality of life of the people of Capricorn and it is in this context that serious and urgent reflection was required especially in relation to the fragmentation in planning and implementation that was stalling progress. Thus, an assessment of progress in respect of implementation of the identified interventions, actions and projects was undertaken.



DIAGNOSTIC SUMMARY

A strategic diagnostic approach was adopted to identify key issues that need to be addressed that will have the biggest impact on improving growth and development in the Capricorn District.

This approach is focused on identifying root causes of problems and considers a systems approach to the development of the district as a region or sub-national space. The system is made up of the following elements which are also identified as the diagnostic focal areas:

1. **The Environment:** the external factors that impact on the district
2. **The People:** the people that live in the district
3. **The Place:** the district as a physical space
4. **The Economy:** the economy of the district
5. **The Institutions:** CDM and the 4 Local Municipalities of the district, public sector, private sector, academic, civil society, community, professional and other bodies

Each of these elements play a role individually and collectively in determining the level of growth and development of the district. The relationship between each of these elements is crucial in understanding how the system works, where the gaps and fault lines are and what is required to make progress.

In summary, the diagnostic exercise determined the following gaps and improvement measures:

- **Diagnostic 1:** The GDS as a Strategy needs to be mainstreamed as an ongoing leadership and management process in the District involving the district municipality and all the local municipalities working as a collective.
- **Diagnostic 2:** The GDS has to be positioned as the Apex Strategy and Plan for the District with the district municipality and all the local municipalities coordinating and refining their own plans and actions towards contributing to achieving GDS goals and objectives.
- **Diagnostic 3:** The growth in the national economy is constrained and likely to be so for a number of years to come which means that an extraordinary effort is required to grow the District economy, so it can significantly impact on local job creation and development.
- **Diagnostic 4:** Even in the most optimistic scenario according to various economists that have undertaken a fairly detailed modelling exercise, the economic growth rate in South Africa is likely to be 3,3% per annum over the period 2017-2034.
- **Diagnostic 5:** The biggest constraint to faster economic growth in South Africa is low levels of fixed investment, and skills that do not match the changing economy and technological trends.
- **Diagnostic 6:** By 2040 the population of Capricorn is projected to be 1 616 374 which will impact on the ability to provide infrastructure and services to a much larger set of households and families within integrated human settlements.
- **Diagnostic 7:** The skills level of majority of the population in Capricorn District does not match job requirements which means that the district will have to redouble its efforts to ensure coordination with relevant government departments to fast-track and improve education and skills development outcomes.
- **Diagnostic 8:** There is still an unacceptably high level of infrastructure and service delivery backlogs in the district and with the projected demand for services increasing in the long term it means that more decisive intervention is required by the district collective.

- **Diagnostic 9:** A much higher level of fixed investment around a spatial structuring and targeting approach is required within the District. The reviewed district SDF provides direction in terms of consolidating the spatial structure and improving settlement planning which has to be rigorously pursued.
- **Diagnostic 10:** The implementation of the current GDS interventions are limited, uncoordinated, and not undertaken in a programmatic way. The review of the GDS has to establish continued relevance and refinement of objectives, actions and implementation processes.

The reviewed GDS is set to play an overarching driving role in coordinating strategies, plans, programmes and actions towards the desired inclusive economic growth and spatial transformation impact.



THE CAPRICORN DISTRICT CURRENT CONTEXT

Capricorn District Municipality derives its name from the Tropic of Capricorn, along which it is situated. The municipality is situated as a stopover between Gauteng and the northern areas of Limpopo, and between the north-western areas and the Kruger National Park. It forms a gateway to Botswana, Zimbabwe and Mozambique. The District sits across a trans-national corridor from Gauteng into Zimbabwe that is identified in the National Development Plan as a spatial priority intervention.

The CDM covers an area of 21 705km² situated in the Limpopo Province. It is estimated that about 1,3 million people reside in the district municipality. The CDM is made up of four local municipalities namely, Blouberg, Lepelle-Nkumpi, Molemole and Polokwane. These municipalities are quite different in terms of their levels of socio-economic development. There are an estimated 547 settlements distributed across the district.

Spread of Population & Households within the Capricorn District

	Population		Households	
	Number	%	Number	%
Lepelle-Nkumpi	235 380	18%	62 690	16,6%
Blouberg	172 601	13%	44 645	11,8%
Molemole	125 327	9%	35 936	9,5%
Polokwane	797 127	60%	234 671	62,1%
TOTAL	1 330 436		377 942	

Capricorn district houses Polokwane which is the 10th largest municipality in South Africa and the 4th largest secondary city after Buffalo City, Mangaung and Emfuleni. Between 2001 to 2011 Polokwane which is much less urbanised than Buffalo City, Mangaung and Emfuleni experienced urban growth of 23,8% which was much higher than these three cities.

Capricorn makes up 23% of Limpopo's population and contributes about 22,3% to the provincial economy. Limpopo, with 5,7 million residents, accounts for about 10% of South Africa's population and contributes 7% to GDP. The migratory pattern tends to remain in favour of people moving from Limpopo to mainly Gauteng.

Whilst mining is one of the largest contributors to the provincial economy it is one of the smallest in the Capricorn district which is dominated by community services, trade and finance sectors.

The district has a domestic airport and is linked to Gauteng by one of the best stretches of the N1 in South Africa. It has the third-largest district economy in the Limpopo province, and is predominantly rural in nature. The district is situated, at the core of economic development in the Limpopo Province. Various major provincial roads pass through the district municipal area, the P33/1 (R37) from Polokwane to Burgersfort /Lydenburg, the P94/1 (R521) from Polokwane to Alldays and Botswana and the P17/1 (R71) from Polokwane to Tzaneen and Phalaborwa. Cities/Towns within the CDM are: Alldays, Dendron, Morebeng (Soekmekaar), Polokwane, Zebediela.

Capricorn Spatial Development Framework (SDF)

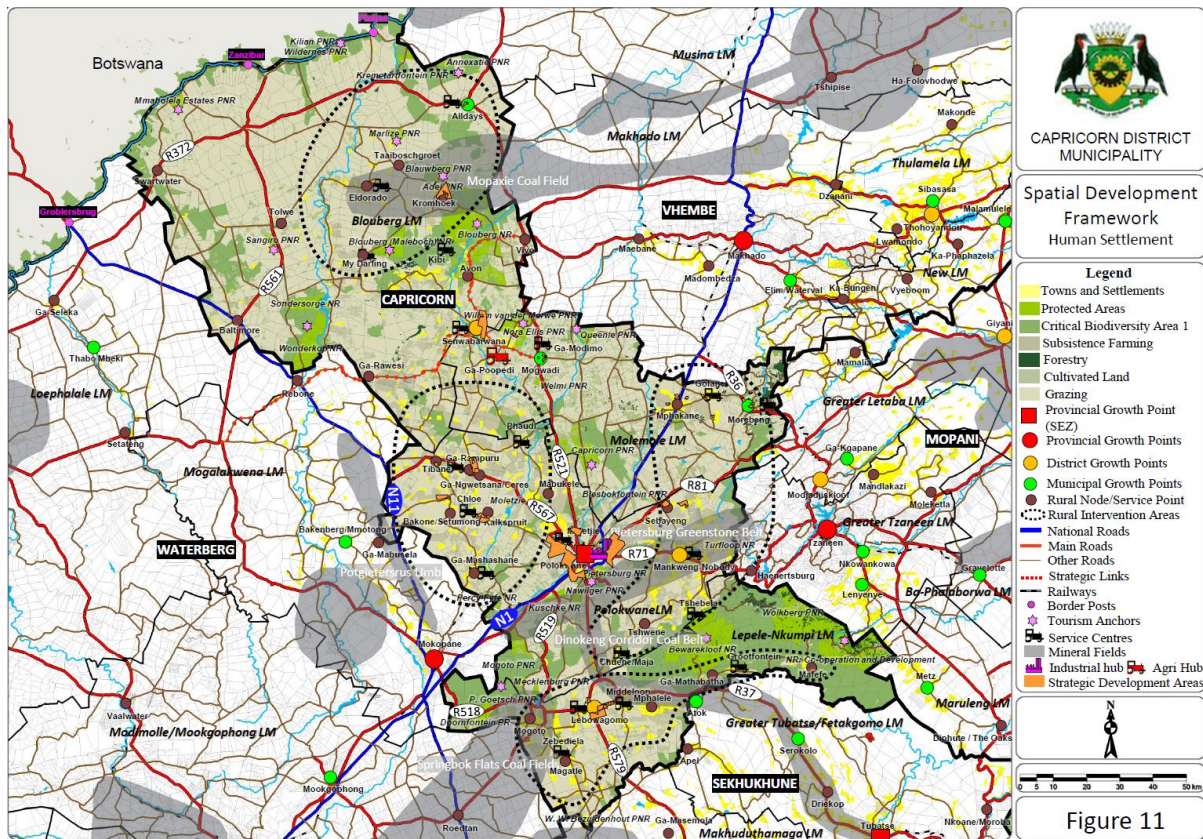
The reviewed district SDF completed in terms of the Spatial Planning and Land Use Management Act (SPLUMA) provides direction for the spatial restructuring and physical development of the district. The SDF outlines a vision of a spatially connected, attractive, sustainable and well-managed district space.

It highlights several development principles with actions that ought to form part of implementation steps of the district collective, including achieving a well-connected system of places that discourages sprawl and consolidates integrated sustainable human settlements as indicated in the table below.

Capricorn Nodal Hierarchy			
Provincial Growth Points (1)		Polokwane (strategic economic zone)	
District Growth Points (3)		Lebowakgomo Mankweng Senwabarwana	
Municipal Growth Points (3)		Morebeng (Soekmeaar) Mogwadi Alldays	
Rural Nodal/ Service Points (26)	Mphakane Chloe A/GaRampuru GaMashashane Mogoto Vivo Eldorado Sebayeng Tolwe Avon	Taaiboschgroet Kromhoek My Darling Baltimore Swartwater Sekhung GaRawesi Magatle Mphahlele	Mafele GaMathabatha GaNgwetsana Bakone/Setumong Kalkspruit Tibane Tshwene Mabukelele

This fits in with the Limpopo Spatial Development Framework. The Limpopo Spatial Development Framework (LSDF, 2007) created a provincial spatial hierarchy that is based on clusters of settlements that function or (could function) as single entities, and that contain a substantial number of people. It identified nodal development points, which are those specific locations where development tends to be concentrated. The LSDF classified approximately 2,471 towns and villages in the Province as indicated below:

- First Order Settlements (Growth Points) [PGPs];
- Growth points are further divided into three categories, viz.:
 - Provincial Growth Point (PGP);
 - District Growth Point (DGP); and
 - Municipal Growth Point (MGP)
- Second Order Settlements (Population Concentration Points) [PCP]; Third Order Settlements (Local Service Points) [LSP];
- Fourth Order Settlements (Village Service Areas) [VSA]; and
- Fifth Order Settlements (Remaining Small Settlements) [SS]



The Limpopo Provincial Government has identified ten growth points for co-ordinated and high-priority development support. Polokwane is one of the 10 growth points.

Capricorn's Comparative Advantages include:

- The District is the administrative capital of the Limpopo province and accommodates approximately 1.33 million people.
- It is strategically located in proximity to various Southern African markets/countries and is well placed to facilitate the gateway into Africa.
- It contains the only commercial and passenger airport in the region, all major regional roads in Limpopo converge in the CDM area thus creating a relatively developed multi-modal transport infrastructure system (including airport, rail, trucking and bus interchanges).
- The existence of a strong albeit poorly maintained road network.
- Strategic roads designated as Spatial Development Initiatives (SDIs) converge at Polokwane.
- The CDM is located between two Biospheres: Waterberg to the south and Vhembe to the north which could enhance/ support tourism development.
- The presence of a well-developed network of learning institutions, notably the tertiary institution, University of Venda.
- Presence of an emerging Industrial base in Polokwane
- The District boasts many Natural Heritage Sites which is supported by Tourism
- Capricorn is home to one of the largest producers of Citrus (Zebediela) and in general there are vast expanses of high potential agricultural land suitable for a range of agricultural products.
- Mineral deposits in the north-east and south-west of the District will lead to increased economic activity.

Development Constraints in the CDM are identified as:

- Fragmented settlement patterns which makes it costly to provide services.
- High levels of unemployment (37.2%) experienced and 86% of the population earn income below the Minimum Living Level.
- Water supply for domestic and economic purposes is vulnerable (60% of population depend on ground water).
- Bulk engineering service backlogs exist in virtually all rural settlement areas.
- Some parts of the District are relatively isolated from regional traffic and economic opportunities.
- Environmental degradation is rife, and expanded mining activity will exacerbate the problem even further.
- Lack of services in rural communities leads to increased pressure on infrastructure in the towns/cities.
- The District housing backlog is estimated at 16 439 units.

The District Economy

Investment in CDM increased from R 0.877 Billion in 2010 to 1.8 Billion in 2012. The approximate size of the district economy, if considered, stands at R31.8 billion. Taking the norm indicated in the National Development Plan into account, the level of fixed investment in the District should be around R9,5 billion per annum.

There are 18 Strategic Infrastructure Projects (SIPs) in National Infrastructure Plan approved by National Government in 2012 and co-ordinated through the Presidential Infrastructure Coordinating Commission (PICC). Three of these eighteen SIPs, namely: SIP 1, SIP 6 and SIP 7, will have a significant impact on the provincial municipalities of Capricorn and Polokwane. Other SIPs of importance to Limpopo are:

- SIPs 8: Green Energy in support of the South African economy;
- SIP 11: Agri--logistics and rural infrastructure;
- SIP 17: Regional Integration for African cooperation and development; and
- SIP 18: Water & Sanitation Infrastructure.

The Capricorn District records a good percentage of people in the economically active age grouping, which bodes well for any attempts to develop the economy. The challenge is to find appropriate interventions to match the current skills with the natural endowments in the district and develop skills for the envisaged future. The low skills base is a factor that impedes the ability of the district to be competitive in the global economy. The skills level of majority of the population does not match current job requirements as 92% of the population do not have post matric qualifications. This has an enormous impact on levels of unemployment.

Primary sectors of the economy - mining and agriculture have a presence in the district. Agriculture, if supported has the potential to absorb labour, while mining needs to be carefully monitored for closures and post mining rehabilitation as well as job losses.

Business development and the capacitation of entrepreneurs, in the services sectors, would assist to ensure that the new BEE codes especially on supplier development is harnessed to bring about economic inclusion. While, in the agricultural sector support to farmers and small producers to create food security and poverty reduction as well as linkages into the rural development programmes could be a game changer for the district's economy. For the district to fully benefit, a regional agricultural catalytic project where all local municipalities have a stake and reap the benefits needs to be considered. Harmonisation of all plans would be needed for significant impact to be achieved.

The only municipal area that presents a diversified economic picture is Polokwane, which has a presence of manufacturing - the secondary sector as well as tertiary sectors of the economy. This centre of economic activity must be leveraged to stimulate economic activities in surrounding areas. The approach needs to be one of cooperation rather than competition or contestation within the district.

Growth and development of settlements has commenced in all municipalities but is uneven. This is a point for take-off on spatial harmonisation especially if these efforts are intrinsically linked to economic development. This will require a level of co-ordination and strategic planning of the spatial form and the economy. Densification and mixed lands uses are being considered, however the value of private investments on zoning applications to make the economic linkages is missing and, the integrated planning required for the planning of services, transportation and facilities such as clinics and schools linked to settlement planning appears to be hidden or lacking.

Rural development work has commenced with the formalisation of land; however, the inclusion of traditional authority areas may require additional co-ordination. Rural industrialisation would require a tighter links with the intergovernmental co-ordination of the agricultural sector developments to harness economic benefits and to absorb jobs.

The focus on the green economy, be it value added waste or renewable energy needs to have a more decisive focus to ensure that district's entry into new sectors of the economy. And, a more directed focus on manufacturing, tourism and services could be brought about with ongoing co-ordination between the district and locals and through more robust engagements with other levels of government.

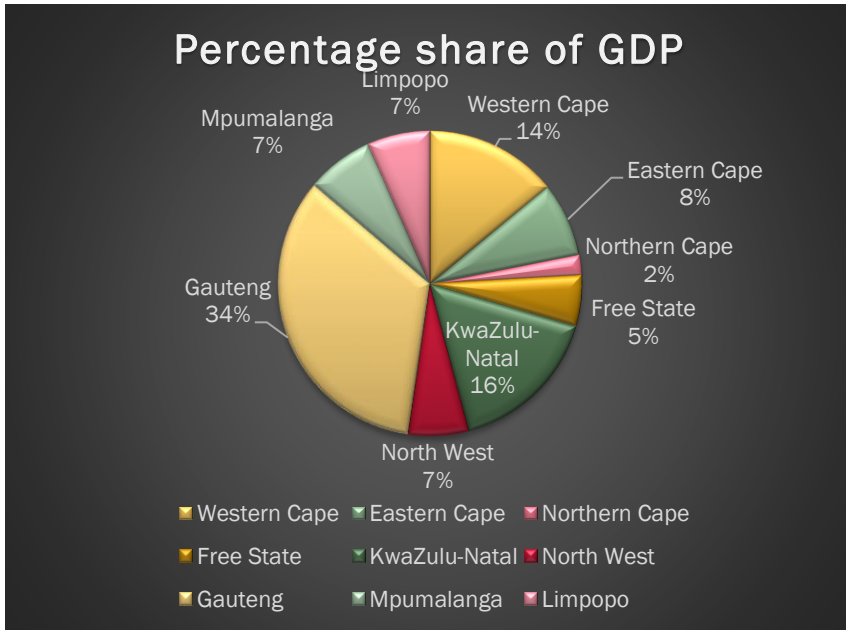
CAPRICORN DISTRICT WITHIN THE PROVINCIAL AND NATIONAL ECONOMY¹

The Capricorn District share of the national GDP (Gross Domestic Product) is estimated at 1,5% for the period 1995 to 2013. The Polokwane local municipality, accounts for 1,1% of this figure. The district contributed an average 1,5% to the provincial GDP from 1995 to 2013, while the provincial contribution to the national GDP is estimated at 7% in 2015.

The province has the largest share of residents in former so-called "homeland" which poses challenges because they continue to face a lack of employment opportunities, poor incomes, weak infrastructure and low educational levels. This results in high out-migration both to Limpopo's urban areas - now among the fastest growing in the country - and to other provinces. However, it must be noted that there is limited urbanisation in the province. There is just one secondary city, out of a total of 30 municipalities.

Limpopo's growth since 2003 was due to the platinum industry and national construction projects notably the Medupi power station in the Waterberg region. As a result, the provincial economy grew rapidly during the mining boom from 2003 to 2011 but has since slowed to below the national rate. When considering the district growth during this period, the same trajectory was not evident. Thus, indicating that the provincial growth was in other parts of the province.

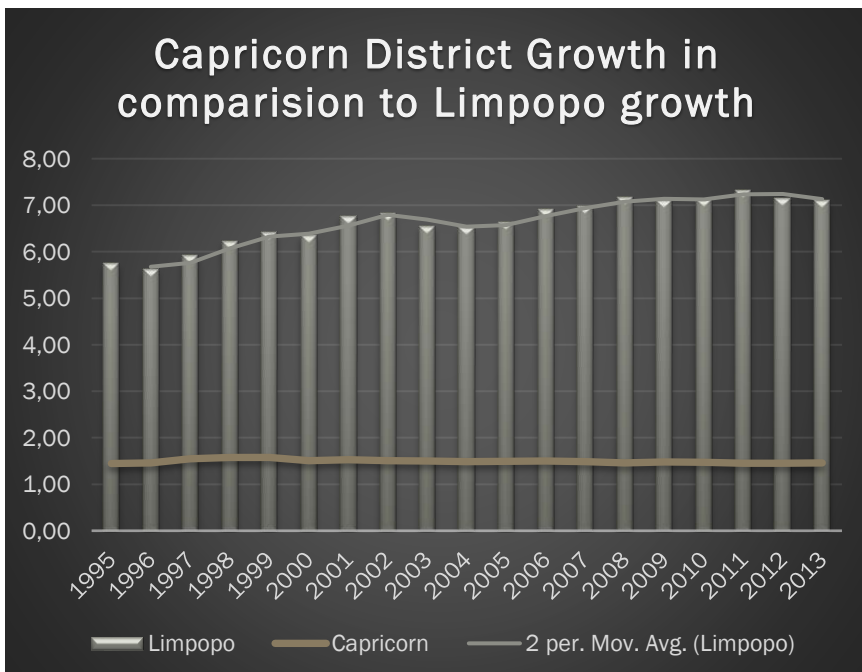
1 Available economic data does not aggregate with the disestablishment of the Aganang Municipality. Thus, the economic data in this report includes Aganang as reported in the economic database of Quantec data. Where available, 2016 figures on GDP from Stats SA was used however, this information was not accessible and aggregated to district and municipal levels. Furthermore, official data from Statistics South Africa at the level of the local authority is not available on economic product and on economic sector presence. These are counted on magisterial districts while the population, community and household surveys are counted on wards.



Source Stats SA GDP annual and quarter revision table Q4 2016, figures rounded off

Most Limpopo towns are poor by national standards. Municipal expenditure per person was recorded at R2 600 in 2015/2016, compared to R5 900 nationally. Polokwane, with 9% of the population of the province, raised 30% of all municipal rates and tariffs in the province. It received 9% of current and 10% of capital transfers and subsidies, mostly from national government.

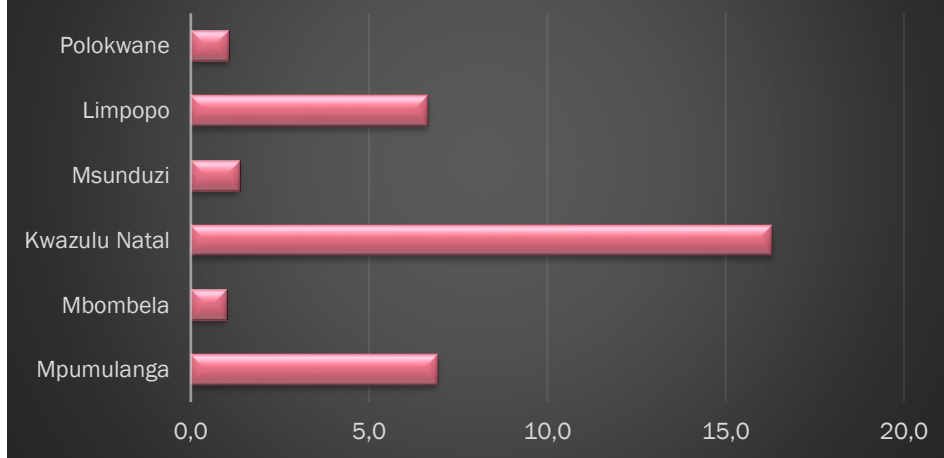
However, it spent R3 600 per person compared to R2 500 per person in other Limpopo municipalities – still far below the norm for similar municipalities.



Source Quantec data 2014

Polokwane, the lone secondary city in the province accounts for 9% of the province’s population and displays a low growth rate like other capital cities of provinces.

GDP 1995-2013 Selected Provinces and Provincial Capital Cities



Source Quantec Data 2014

Apartheid geography has a significant impact on economic structures and especially on access to economic opportunities. Under apartheid, African areas and especially the former “homeland” regions typically excluded natural resources, and for decades were largely deprived of infrastructure and government services. Limpopo has a very high share of former so-called “homeland” areas within its borders. In 2015, 71% of the population lived in former “homeland” regions, compared to 27% for the country as a whole. There is a very small share of non-Africans in the total population, at 2% compared to 20% nationally. This raises issues for diversity and a skill mix.

These factors help explain the province's economic structure and key constraints on growth. Some indicators of the implications for Limpopo are:

- The 2015 General Household Survey revealed the median household income was R2 400 a month, compared to R3 260 nationally. In the former “homeland” areas it was R2 000, while it was R3 500 in the rest of the province.
- In 2015, only 26% of working-age people in the former “homeland” regions were employed, compared to 55% in the rest of Limpopo. Both levels were higher than the norm for the type of region. Nonetheless, overall employment was low because of the unusually high share of “homeland” spaces in the province.
- According to Census data, the population in the former so-called “homeland” regions in Limpopo increased by 9% from 1996 to 2011, while the rest of the province saw population growth of 70%.
- In 2015, matric degrees were held by 21% of the province's working-age population aged over 20, and by 19% in the former “homeland” regions. For the country as a whole, the figure was 29%. The share of adults in Limpopo with matric climbed from 13% in 1996. Some 12% of Limpopo's adult population had a degree, compared to 13% nationally.
- The General Household Survey found that 47% of households in Limpopo had running water in their houses or yards, compared to 36% in 1996. Some 93% had electricity, up from 39% in 1996. Nationally, 73% of households had water on site, and 85% had electricity.

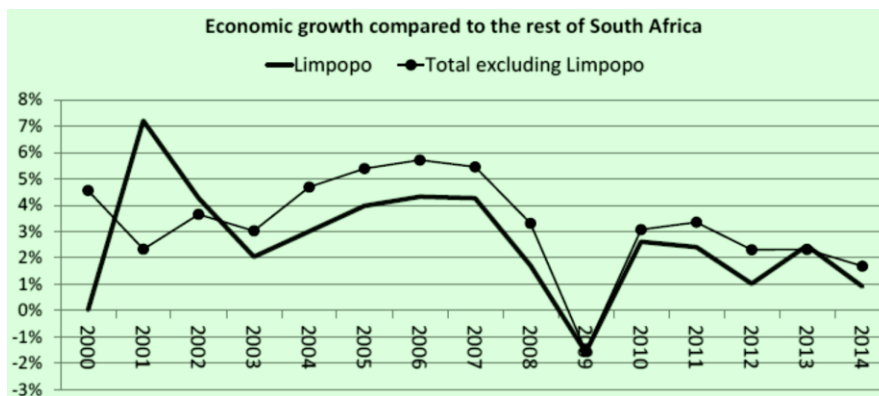
While Limpopo, with 5,7 million residents, accounted for 10% of South Africa's population in 2014/2015, it contributed just 7% of the GDP. In 2014 agriculture, mining, manufacturing and construction made up 33% of Limpopo's output. Mining dominated the economy, at 25% of the provincial economy. In contrast, construction and manufacturing contributed just 3%, and agriculture 2%. Limpopo accounted for 24% of

national mining output, 7% of national agriculture and 6% of national construction, but just 2% of national manufacturing.

The rapid increase in mining prices compared to other products during the commodity boom, and their subsequent sharp decline, makes it more difficult to assess GDP growth at provincial and district level.

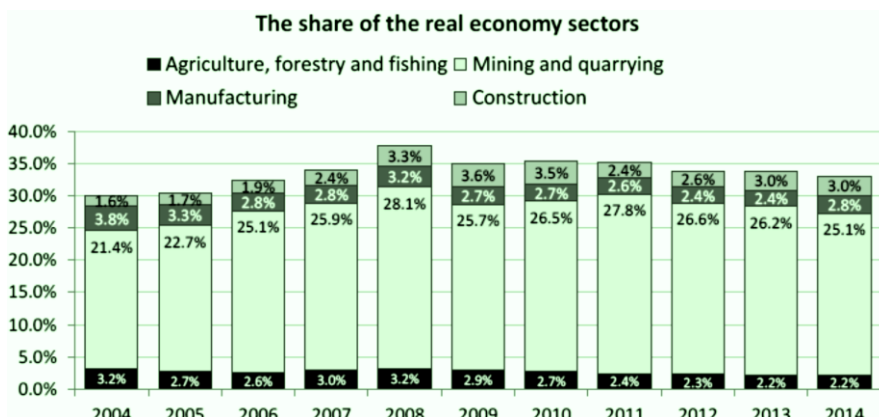
Looking only at the volume of production understates the benefits for Limpopo and other mining-dependent provinces during the boom as well as the slowdown afterwards and exaggerates the relative performance of provinces that do not have much mining activity.

The following chart shows growth in Limpopo using standard figures that show only the volume of production, effectively ignoring the impact of changes in prices on the purchasing power of the province. By this measure, Limpopo consistently lagged national economic growth.



Source: StatsSA, GDP Annual and Regional Tables 2016

The importance of mining for Limpopo emerges from its dominant share in the provincial economy. With the end of the commodity boom, however, its share dropped from 28% in 2011 to 25% in 2014.



Source: StatsSA, GDP Annual and Regional Tables 2016.

The employment data shed further light on the structure of the economy in the Limpopo. Of employed people in Limpopo in 2015 the spread across industries were as follows:

- 144 000 were in construction
- 135 000 were in agriculture
- 75 500 were in mining (in 2014)

- 72 000 were in manufacturing



Source: Except for mining, Statistics South Africa, QLFS Trends 2008-2016. Average of four quarters for the year. For mining, Department of Mineral Resources. B1 Statistical Tables.

Limpopo accounted for only 4% of South African manufacturing employment. The top manufacturing industries in the province for employment were food and beverages; glass and non-metallic minerals; and clothing. But all of its industries were relatively small. The province contributed just 7% of national employment in food and beverages, its largest manufacturing industry.

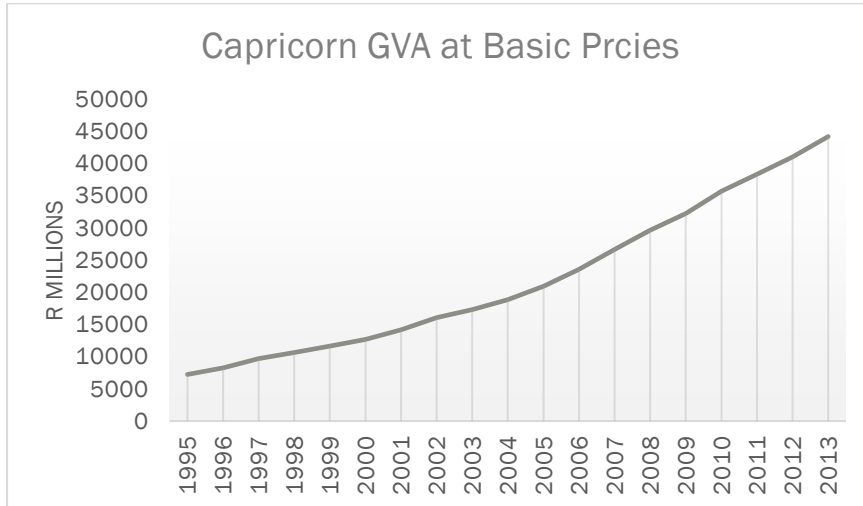


Source: For 2010, Statistics South Africa, Labour Market Dynamics 2010. For 2015, average of four quarters, Statistics South Africa, QLFS for relevant quarters.

Platinum dominated mining employment in Limpopo. Generally, gold mining saw job losses during the commodity boom, while platinum mining, coal and iron ore created employment. According to Department of Mineral Resources data, which is more reliable for mining, total mining employment in Limpopo climbed from 56 500 in 2003 to 65 500 in 2011, while sales rose from 10% of the national total to 13%. From 2011 to 2014, the number of Limpopo miners increased to 75 500, while sales rose further, reaching 16% of the national total.

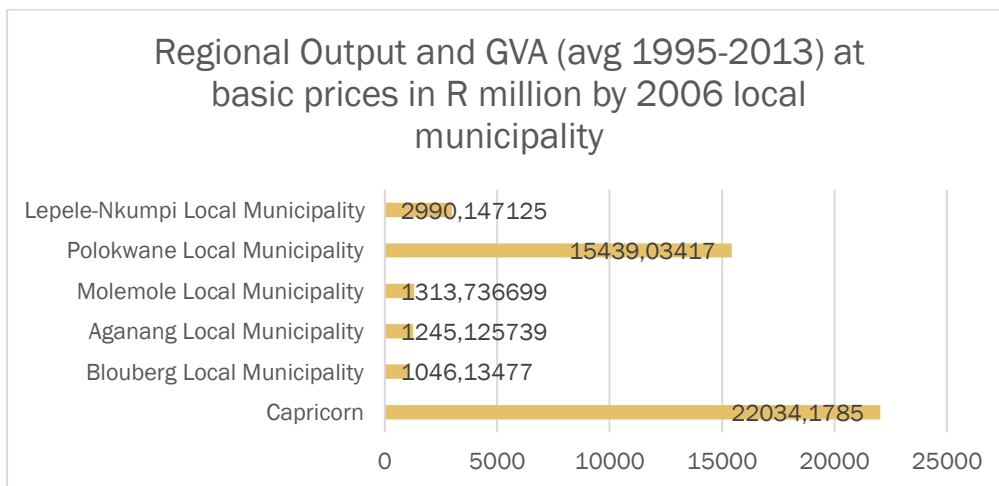
THE CAPRICORN DISTRICT ECONOMIC OUTLOOK₂

Growth from a geographic perspective, in the district has been stagnant at an average of 1,5%. Given the recent recession and bleak outlook for the country it is unlikely that this will increase dramatically. However, efforts to develop infrastructure if consolidated and expanded to cover the entire district will yield some benefits to the local economy.



Source Quantec Data 2014

The breakdown of where the output is produced in the district is revealed in the next chart.



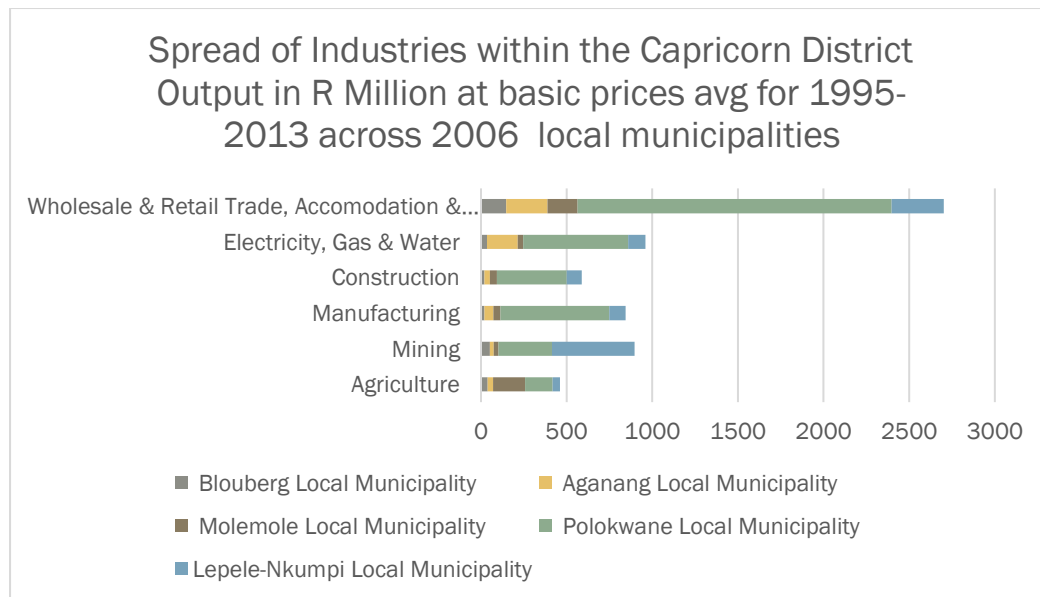
Source Quantec Data 2014

2 Economic data does not aggregate with the recent disestablishment of the Aganang Municipality. The Capricorn IDP does not clarify where the households, people and the products went to on disestablishment. Thus, the economic data in this report includes Aganang as reported in the economic database of Quantec data. Furthermore, official data from Statistics South Africa at the level of the local authority is not available on economic product and on economic sector presence. These are counted on magisterial districts while the population, community and household surveys are counted on wards. There is a difference between the household surveys, census and the community surveys, as the questions posed are different, thus making comparisons of data sets tedious. Notwithstanding this the estimates presented are useful for the purposes of strategic planning.

70% of the district's economic output comes from Polokwane. The chart below depicts the spread of industries within the locals that make up the district.

40% of Capricorn's agricultural production is located in Molemole, while 54% of mining is accounted for in Lepele-Nkumpi.

Urbanization and industrialization mutually support each other. In this respect Polokwane, records 75% of all manufacturing activity, 70% of all construction, 68% of wholesale, retail, catering and accommodation trading activity and 64% of electricity, gas and water production in the district.



Source Quantec Data 2014

SUMMARY

- Economic Growth is sluggish reflecting the national economic context with downgrades by rating agencies and investigations into state capture and corruption. However recent political changes effected by Parliament in February 2018, bode well for pick-up of the economy.
- Growth figures average out to 1,5 (1995 to 2013) and are not likely to improve rapidly given the national outlook.
- Polokwane is the only secondary city in province and consequently has a higher level of industrialisation than other local municipalities in the district.
- Molemole dominates in agricultural production, while Lepele-Nkumpi accounts for half the mining production in the district.
- Blouberg requires attention and support as the market forces have not reached the area. If decisive action is not taken, this area will be the periphery of the district.
- Unemployment is high, 54% of youth (15-34) are without jobs. This stubborn unemployment is a structural problem of the national economy.

KEY STATISTICS – CAPRICORN DISTRICT

Source Statistics SA	2016	2011
Population	1 330 436	1 261 463
Age Structure		
Population under 15	33.6%	33.6%
Population 15 to 64	60.6%	59.9%
Population over 65	5.8%	6.6%
Dependency Ratio		
Per 100 (15-64)	65.0	67.0
Sex Ratio		
Males per 100 females	88.7	87.9
Population Growth		
Per annum	1.21%	n/a
Labour Market		
Unemployment rate (official)	n/a	37.2%
Youth unemployment rate (official) 15-34	n/a	47.4%
Education (aged 20 +)		
No schooling	12.4%	13.2%
Matric	29.9%	24.9%
Higher education	11.4%	13.1%
Household Dynamics		

Source Statistics SA	2016	2011
Households	378 301	342 838
Average household size	3.5	3.6
Female headed households	49.1%	49.9%
Formal dwellings	93.2%	92.0%
Housing owned	69.8%	58.1%
Household Services		
Flush toilet connected to sewerage	30.2%	26.6%
Weekly refuse removal	30.4%	29.7%
Piped water inside dwelling	19.5%	23.3%
Electricity for lighting	95.2%	87.4%

The coverage of households on basic services on refuse removal and sanitation is estimated to be 30%, with electricity at 95% and piped water in dwellings is at 19%. For economic growth to take place in a manner that brings about socio economic transformation a targeted and directed focus on the households' lack of access to basic services and the building up of a capability on the provision of services is necessary.

High levels of infrastructure and service delivery backlogs include:

- Water and Sanitation critical backlogs
 - 17% of households have piped water inside the dwelling.
 - 47% have access in the yard and the remainder have access within walking distances up to 500m.
 - 20% of households do not have access to safe drinking water especially in Lepelle-Nkumpi
 - 17.6% of households have no access whatsoever to sanitation
 - 67% of households in the District do not meet the minimum RDP levels of sanitation including those that still rely on pit latrines.
- 80% of households do not have access to solid waste disposal services.

BACK TO BASICS SERVING OUR COMMUNITIES BETTER



IMPLEMENTATION GAPS IDENTIFIED DURING THE REVIEW

The diagnostics undertaken led to content revision of the current Capricorn Growth and Development Strategy (GDS). The evaluation was based on the feedback received from all Capricorn municipalities as well as the outcome of a workshop held with all Capricorn municipalities where each of the GDS 2030 interventions were discussed in terms of sufficiency, relevance and implementation progress.

Execution of plans was identified one of the biggest challenges generally in the country and in this case specifically with CDM. The mechanisms identified in the GDS 2030 to drive and coordinate the implementation were not put into place and has resulted in fragmented and ad-hoc actions by individual municipalities thereby limiting impact of a collective and programmatic approach.

The gaps identified are outcomes of the workshop focus group evaluations of the GDS Intervention Areas. These are summarised below under four distinct categories viz. Economic Growth and Development, Infrastructure Development, Skills Development to support Economic Growth and Governance. This assessment of the GDS 2030 largely shaped the thinking of the GDS 2040 as a number of suggestions were made on how to implement the GDS.

1. Economic Growth and Development

1.1 Land Availability
<ul style="list-style-type: none"> ▪ Accessing land for development is a key priority for the district but there is no consolidated land identification, preparation and release programme in place.
<ul style="list-style-type: none"> ▪ Municipalities have a mandate to make land available for development and where applicable in partnership with other stakeholders, for example, traditional authorities and the Department of Rural Development and Land Reform (DRDLR).
<ul style="list-style-type: none"> ▪ There is a need to enter into land development agreements with relevant stakeholders in order to leverage capacity and ensure investment and implementation.
<ul style="list-style-type: none"> ▪ There is a need to identify land for estate development and agriculture.
<ul style="list-style-type: none"> ▪ Planning and Installation of engineering services such as bulk water supply and electricity is crucial to underpin a land release programme.
<ul style="list-style-type: none"> ▪ Identify a land development model that is implementable.
1.2 Densification
<ul style="list-style-type: none"> ▪ There are isolated programmes for densification but not a cohesive district-wide spatial structuring and densification approach.
<ul style="list-style-type: none"> ▪ Polokwane has a programme to identify areas where densification will be increased and bulk infrastructure prioritised.
<ul style="list-style-type: none"> ▪ A district-wide programme is required to plan and implement densification objectives and should be linked to the Capricorn SDF.
1.3 Renewable Energy

<ul style="list-style-type: none"> ▪ There is no coordinated strategy and programme for municipalities.
<ul style="list-style-type: none"> ▪ Polokwane has elements.
<ul style="list-style-type: none"> ▪ The starting point must be to determine the size of renewable energy to be generated from various sources.
<ul style="list-style-type: none"> ▪ Develop an implementation model, for example solar, and partner with investors.
<p>1.4 Green Economy</p>
<ul style="list-style-type: none"> ▪ There is limited action in relation to implementing the Green economy objectives.
<ul style="list-style-type: none"> ▪ Identify different sub-sectors of the green economy and develop an implementation plan.
<p>1.5 SMME Development Entrepreneurship</p>
<ul style="list-style-type: none"> ▪ There are initiatives in place to support SMME development and entrepreneurship.
<ul style="list-style-type: none"> ▪ The 30% set-aside procurement policy should be implemented by all municipalities.
<ul style="list-style-type: none"> ▪ Optimal performance is not achieved due to ad-hoc IGR and lack of synergy between initiatives.
<ul style="list-style-type: none"> ▪ Better policy coherence and institutional arrangements required in supporting SMMEs.
<ul style="list-style-type: none"> ▪ A monitoring and evaluation tool is required to track number of SMMEs, size of SMMEs and survival rates.
<p>1.6 Manufacturing</p>
<ul style="list-style-type: none"> ▪ There are manufacturing support initiatives, but they are very ad-hoc.
<p>1.7 Tourism</p>
<ul style="list-style-type: none"> ▪ There is a tourism strategy in place.
<ul style="list-style-type: none"> ▪ Focus needs to be on infrastructure development, market development and education, marketing and product packaging.
<p>1.8 Rural Integration</p>
<ul style="list-style-type: none"> ▪ Need for coordinated support for farmers.
<ul style="list-style-type: none"> ▪ Address infrastructure requirements.
<ul style="list-style-type: none"> ▪ Implement settlement consolidation as per the SDF.
<p>1.9 Stimulating Mining Activity and Beneficiation</p>
<ul style="list-style-type: none"> ▪ Formulate a strategy and dedicated programme with the private sector.

2. Infrastructure Development

2.1 Provision of Bulk Infrastructure mainly Water
<ul style="list-style-type: none">▪ Infrastructure must be informed by the integrated spatial development priorities that takes into account human settlement and economic growth needs.
<ul style="list-style-type: none">▪ Undertake in context of SDF.
<ul style="list-style-type: none">▪ Proper infrastructure master planning needs to take place taking into account the project life cycle approach.
<ul style="list-style-type: none">▪ Prioritisation of infrastructure interventions and strategic budget allocations are required.
<ul style="list-style-type: none">▪ Investment requirements to be identified and funding strategies needed.
<ul style="list-style-type: none">▪ Programming of implementation to take place.
2.2 Promoting Information and Communication Technology (ICT)
<ul style="list-style-type: none">▪ Actualise concepts
<ul style="list-style-type: none">▪ Telecommunication infrastructure - install fibre network and promote smart city objectives
2.3 Human Settlements
<ul style="list-style-type: none">▪ Currently isolated initiatives in the district that are not coordinated with the end game in mind - What kind of district/city are we building?
<ul style="list-style-type: none">▪ Need a deliberate programme to achieve targets.
<ul style="list-style-type: none">▪ Identify how many houses, where are they located currently and where future growth will happen.
<ul style="list-style-type: none">▪ Identify the investment in bulk that is then required.
<ul style="list-style-type: none">▪ District-wide Water programme to support growth areas.
2.4 Economic Infrastructure (Aero City, Freight, SDIs, Public Transport)
<ul style="list-style-type: none">▪ Initiatives have been identified for a long time but very limited progress towards implementation.
<ul style="list-style-type: none">▪ Engagement with critical role players in the province and nationally is required to garner support for these initiatives and ensure proper planning and implementation.
<ul style="list-style-type: none">▪ Establish dedicated IGR task teams to focus on these projects with specific district accountable officials.

3. Skills Development to Support Economic Growth

3.1 Support for Early Childhood Development Centres (ECDs)
<ul style="list-style-type: none">▪ Minimal participation by municipalities except for Blouberg.

<ul style="list-style-type: none"> ▪ ECDs are mainly privately owned.
<ul style="list-style-type: none"> ▪ Need to mobilise Social Development department and the private sector to coordinate infrastructure development for ECDs.
3.2 ABET
<ul style="list-style-type: none"> ▪ Not much been done.
<ul style="list-style-type: none"> ▪ Coordinate IGR for ABET with Department of Education.
3.3 Infrastructure Development for Education
<ul style="list-style-type: none"> ▪ Currently there are enough schools.
<ul style="list-style-type: none"> ▪ Low number of learners.
<ul style="list-style-type: none"> ▪ Falling behind on maintenance.
<ul style="list-style-type: none"> ▪ Challenges of water and sanitation provision.
<ul style="list-style-type: none"> ▪ Maintenance plans in place.
<ul style="list-style-type: none"> ▪ Must form part of service delivery and revenue model of municipalities.
3.4 Access to Colleges to Address Artisan Needs
<ul style="list-style-type: none"> ▪ Scarce skills bursary – CDM and Polokwane.
<ul style="list-style-type: none"> ▪ Undertake skills audit to identify areas where skills are lacking.
<ul style="list-style-type: none"> ▪ Form partnership with private sector to absorb learners.
3.5 ICT
<ul style="list-style-type: none"> ▪ Only available in city area.
<ul style="list-style-type: none"> ▪ Insufficient in rural areas to get learners access.
3.6 Promotion of Entrepreneurship
<ul style="list-style-type: none"> ▪ Facilitate training programmes.
<ul style="list-style-type: none"> ▪ Integrate into primary education – interact with the department in this regard.
<ul style="list-style-type: none"> ▪ Develop ability to form own enterprises.
3.7 Promote Science and Mathematics
<ul style="list-style-type: none"> ▪ Lack of teachers (migrants).
<ul style="list-style-type: none"> ▪ Retrain teachers.
<ul style="list-style-type: none"> ▪ Encourage learners.
3.8 Libraries
<ul style="list-style-type: none"> ▪ Services are inadequate and too slow.

<ul style="list-style-type: none"> ▪ Apply norms and standards in relation to library infrastructure.
<ul style="list-style-type: none"> ▪ Promote mobile libraries.
<p>3.9 Expansion of Tertiary Institutions to Rural Areas</p>
<ul style="list-style-type: none"> ▪ Encourage institutions to provide infrastructure and services in rural areas including mobile services.
<ul style="list-style-type: none"> ▪ Need to expand ICT infrastructure.
<p>3.10 Human Capital Development</p>
<ul style="list-style-type: none"> ▪ High turnover of skilled people in the district.
<ul style="list-style-type: none"> ▪ Retain skills.
<ul style="list-style-type: none"> ▪ Undertake multi-sector skills audit.
<ul style="list-style-type: none"> ▪ Develop unemployment database.
<ul style="list-style-type: none"> ▪ Private partnership programme – placement of graduates.
<ul style="list-style-type: none"> ▪ Need a Capricorn focused skills development strategy.

4. Governance

<ul style="list-style-type: none"> ▪ Take the cue from the above intervention areas.
<ul style="list-style-type: none"> ▪ Focus on the things that should be done to govern better to get the growth that is needed.
<ul style="list-style-type: none"> ▪ Spatial governance and implementation of SDF is critical – spatial planning and land use management.
<ul style="list-style-type: none"> ▪ Identify risks – poor planning is a major one.
<ul style="list-style-type: none"> ▪ Integrated human settlements approach – provision of only RDP housing undermines sustainability.
<ul style="list-style-type: none"> ▪ Have a Vision for development of the area and plan differently – economic development planning.
<ul style="list-style-type: none"> ▪ Infrastructure planning and management - support growth areas.
<ul style="list-style-type: none"> ▪ Efficient delivery of services.
<ul style="list-style-type: none"> ▪ Land release strategy and programme.
<ul style="list-style-type: none"> ▪ Financing and financial management.
<ul style="list-style-type: none"> ▪ Implementation and delivery models.
<ul style="list-style-type: none"> ▪ Performance management systems.
<ul style="list-style-type: none"> ▪ Talent and Capacity building.
<ul style="list-style-type: none"> ▪ Everything that municipalities do leads to economic growth and development or impacts positively or negatively.

FUTURE SCENARIOS

The political climate and the quality of political leadership linked to implementation capability is a key determinant of our future growth prospects. This together with use of extensive modelling tools is used as the basis for the 3 scenarios outlined by Cilliers (2017) and summarised in the table below. It highlights the fact that some of the damage done over the past few years including the investment downgrades will impact on the country for a while to come and even under the most optimistic scenario growth is unlikely to be high enough or anywhere close to the 2030 NDP target of 5,4%.

Scenario	Type	Growth (2017-2034)	Employment (2034)	Poverty (2034)
Bafana Bafana (More of the Same)	Continued governance challenges, slightly more policy coherence and efficient government	2,3%	17,7 million out of 26,3 million labor force	10,8 million extremely poor out of 64,5 million population
Nation Divided (Instability)	Poorer governance, political instability and fiscal populism	1,5%	16,9 million out of 26,3 million labour force	11,2 million extremely poor out of 64,5 million population
Mandela Magic (Modernisation)	Better governance, market and Investor confidence	3,3%	18,8 million out of 26,3 million labour force	10,2 million extremely poor out of 64,5 million population

It is clear from the modelling undertaken and the scenarios presented, extra-ordinary effort will be required to change the fortunes of the many South Africans who are likely to still face unemployment and poverty in 2034 and beyond. The modernisation scenario is the best case to overcome the damage to the economy and lay a platform for much higher growth beyond 2034.

By 2040, South Africa's population will be around 67 million. South Africa's working age population (15-64 years) currently makes up 66% of the total population. This is expected to peak at 69% by 2042 and thereafter it will decline. The significance of this is that there is a strong correlation between a high working age population and high economic growth.

The challenge is youth unemployment and the structural economic challenges around this which includes skills not matching economy requirements which is generating most jobs in the tertiary sector. The poor education outcome is a major factor. It is proven that youth with tertiary qualifications have a much higher prospect of finding a job. Many young people in South Africa especially outside of the larger cities do not have post matric qualifications.

With positive change in South Africa in 2018 with the election of new President by Parliament, the Mandela Magic scenario is likely to emerge with the strong focus on renewal, unity and jobs.

It is estimated that by 2040 the population of Capricorn will be 1 616 374.

Population and Household Projections (2016 – 2040)

	2016	2030	2040
Population	1 330 436	1 463 283	1 616 374
Households	377 942	418 080	461 821

Jobs: 69% of the population (1 115 298) are expected to be in the economically active age group (15-64)

Services: Population increase will impact on infrastructure and services

An additional 83 879 households need to be catered for together with commercial, social and community facilities

CAPRICORN GROWTH AND DEVELOPMENT 2040 - THE APEX STRATEGY

The Capricorn GDS is a long-range planning instrument. It has to play an important role in conceptualising the desired future by enabling all 3 spheres of government, all state entities, the private sector, social actors and communities to navigate from the current context into a new reality.

As such the Capricorn GDS plays an important role as a visionary instrument and sits at the apex of the district planning hierarchy. Its successful implementation will depend on the extent to which the objectives and strategies are linked and filtered into the supporting network of local and sector planning and delivery instruments.

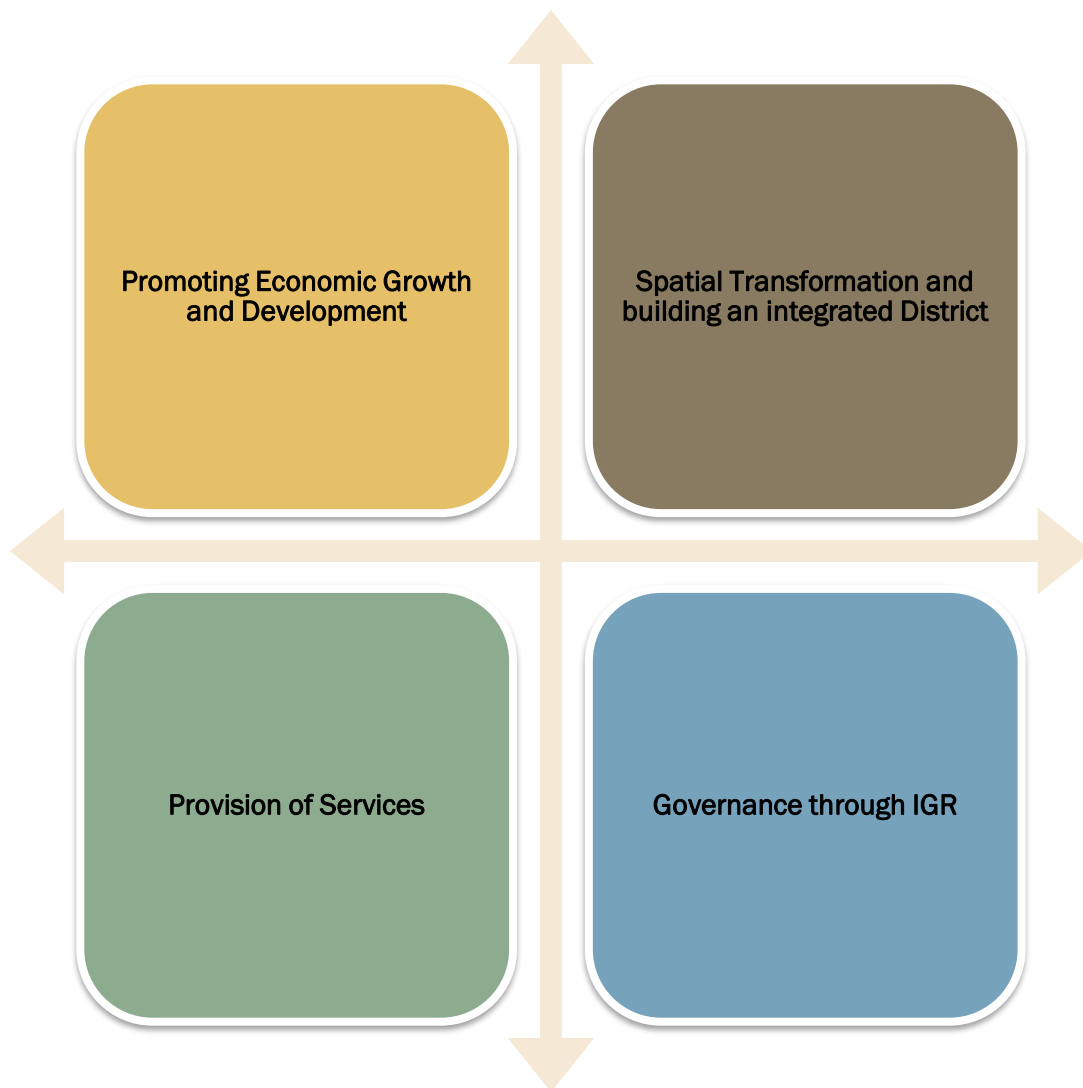
Type	Role	Objective	Linkages
Growth & Development Strategy (GDS)	<p>Strategise on the opportunities, constraints and positioning of the district economy.</p> <p>Overarching driving role in coordinating strategies, plans, programmes and actions towards the desired inclusive economic growth and spatial transformation impact.</p>	Grow the District Economy in an inclusive and sustainable way	Provide long term strategic direction for the IDP, SDF and sector plans
Integrated Development Plan (IDP)	Coordinate service delivery and development planning	Guide and direct spending of all 3 spheres of government and private sector in the district space	Contribute to achieving GDS objectives and setting 5-year objectives, targets and aligning sector plans
Spatial Development Framework (SDF)	Guide spatial and physical development of the district	Coherent and sustainable spatial development	Align with GDS and inform sector plans and interventions
Local Economic Development (LED) Strategy/Programme	Identify and plan the key economic development interventions	Create conducive environment for investment and coordinate implementation	Tool to Implement the GDS and alignment of sector plans towards economic transformation
Sector Plans (Infrastructure and services) <ul style="list-style-type: none"> • Water • Sanitation • Roads • Energy • Waste Management • Community Services • Human Settlements 	Support economic growth strategy, integrated human settlements and service delivery plans	Outline the long-term sector investment requirements, spatial targeting, life-cycle and maintenance strategies	Inform and be informed by GDS, IDP, SDF, and LED Alignment must be towards strategic development objectives.

PILLARS OF THE GDS 2040

Pillars are the foundations for delivery of the intentions of the GDS. The pillars set out the non-negotiables for implementation and form the link to the key performances expected of local government as envisaged by the National Development Plan.

As a long-range planning instrument, the GDS plays an important role in conceptualising the future for the district and helps to enable all 3 spheres of government, all state entities, the private sector, social actors and communities to navigate from the current context into a new reality.

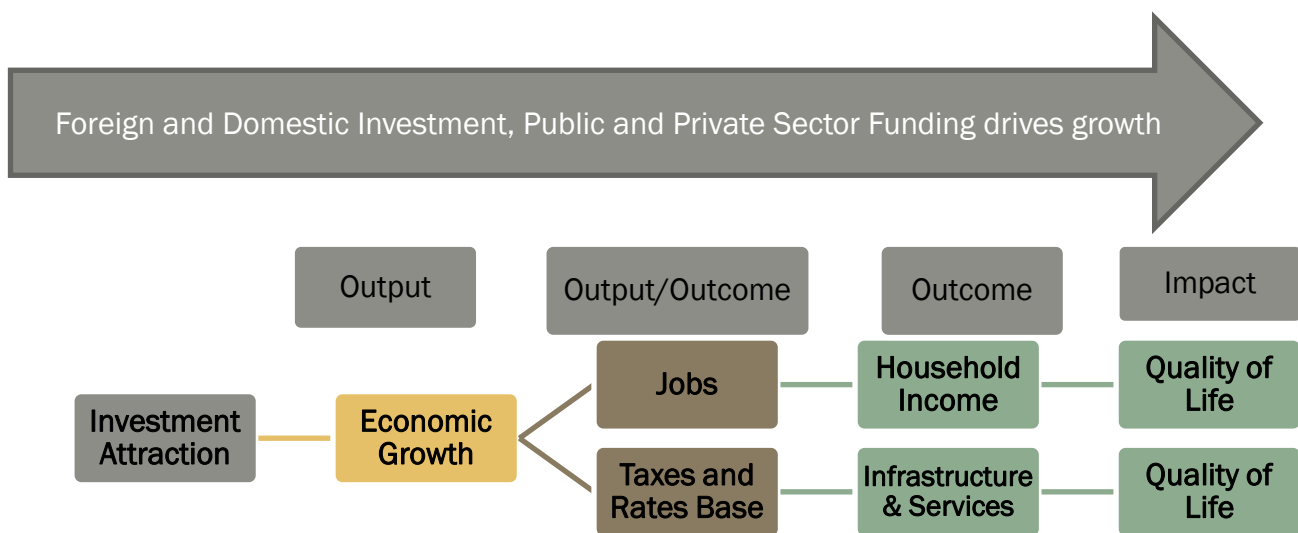
Thus, the Capricorn GDS plays an important role as a visionary instrument which sits at the apex of the district planning hierarchy. In this way, the pillars of the GDS create a direct link between the GDS and the IDP's, Budgets and Performance Plans of the district and local municipalities.



PILLAR ONE: PROMOTING ECONOMIC GROWTH AND DEVELOPMENT

To grow the economy investments are vital. Private investments bring about development and create jobs. An inclusive economy is about promoting economic growth and development in a manner that spreads economic activity and benefits in all parts of the district.

The inclusion of the poor and marginalised through a security net is about their involvement in the economy. This is vital to overcoming inequalities and reducing poverty and social grant dependency.



PILLAR TWO: SPATIAL TRANSFORMATION AND BUILDING AN INTERGATED DISTRICT

Investments to build, operate and maintain infrastructure are the foundations of transforming the spatial form of an area to ensure universal service and access to basic services.

As infrastructure brings about physical transformation and additions to land, the planning, preparation and development of land is a necessary condition for spatial transformation.

A district wide plan would ensure a scale of economy and maintain continuity on the infrastructure such as roads and storm water, water and sanitation, electricity and energy, as well as telecommunications.

The translation of the Spatial Development Framework (SDF) into visionary precinct plans, land use schemes and efficient land use management and land development decision-making is crucial.

PILLAR THREE: PROVISION OF SERVICES

Equality is also measured on access to and consistency of services. Free basic services, basic education, health care and access to social development benefits are key areas the of the development component of a Growth and Development Strategy.

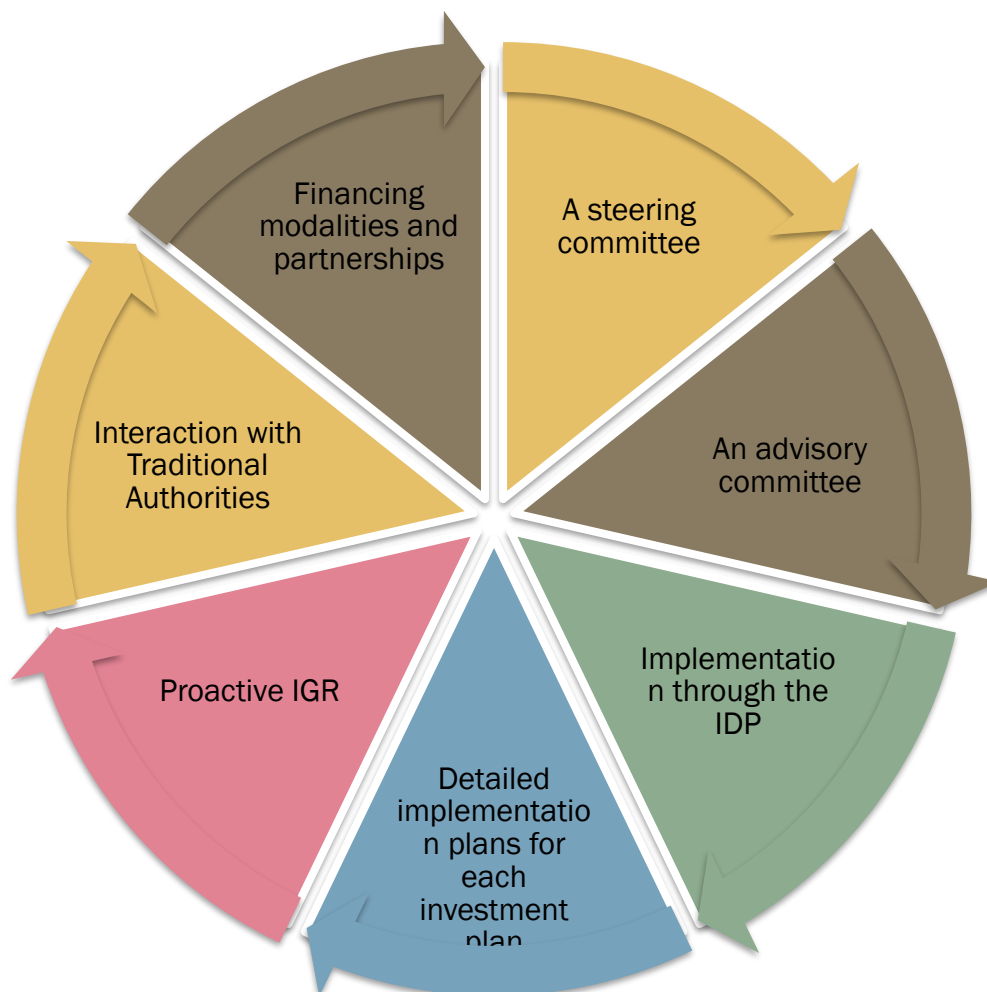
Just as the social grants, pensions, health care and education are uniform to all citizens the provision of services delivered by local government on waste removal, water, sanitation, and electricity must also be uniform across the district.

PILLAR FOUR: GOVERNANCE THROUGH IGR

While governance is necessary for compliance, ethical processes ensures social inclusion and social cohesion.

Planning for adequate capacity to deliver the vision of GDS with a tighter alignment between the GDS and the IDP's can only be achieved through co-ordination and sound intergovernmental relations.

The shared vision, through coordination, collaboration, consultation and communication is an instrument for reaching out to other spheres of government, business and the community.

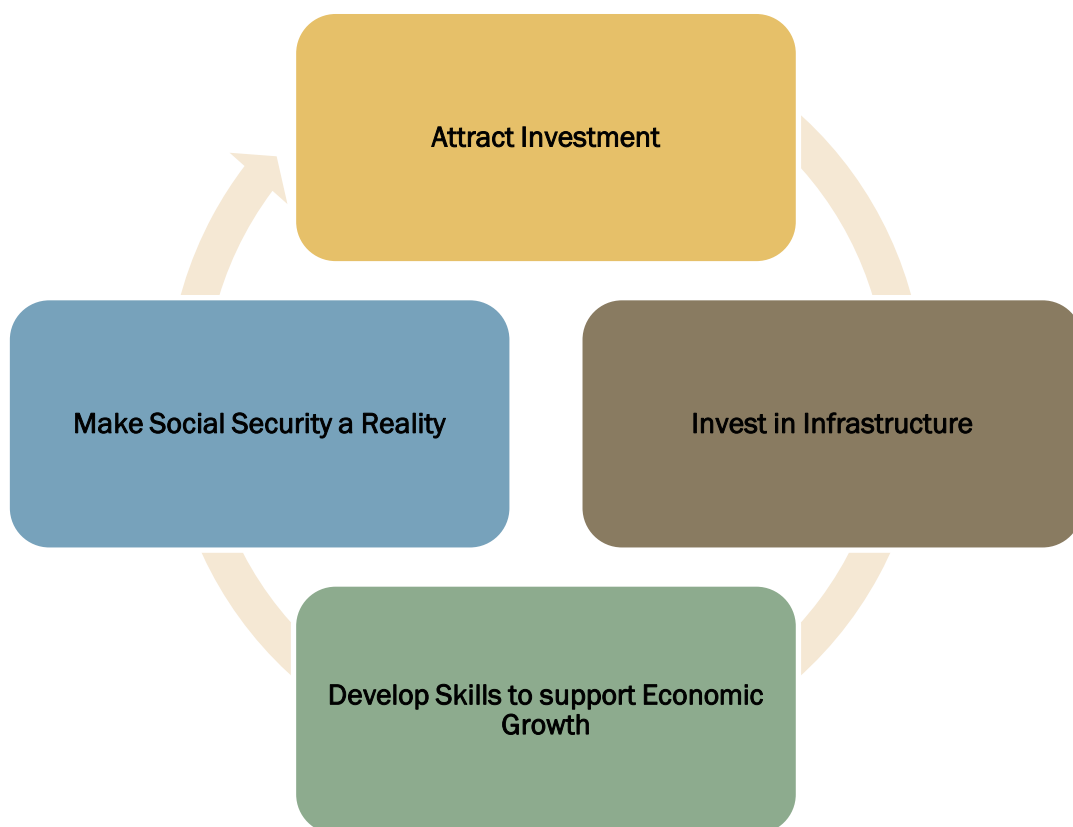


GDS 2040 OBJECTIVES AND STRATEGIES

Since the adoption of the GDS in 2012, the following have stubbornly persisted and to overcome these revised objectives for the GDS have been set out.

- There is high unemployment, that excludes a significant number of people from participation in the economy.
- The economy is constrained due to poor quality of teaching, learning and the outcomes
- Infrastructure for service provision is limited to mostly former white areas
- There is limited infrastructure to support higher economic growth
- Many black communities are located outside centres of economic affluence
- South Africa depends on resource extraction for growth and thus unsustainable because of global fluctuations of demand and prices
- The health system performs very poorly and cannot cope with the burden of disease
- Many areas of the public service perform very poorly
- There are high levels of corruption
- South Africa is divided in terms of access to resources according to race, gender and rural-urban distinctions

To have a programmatic way in which the GDS gets mainstreamed and implemented by CDM and the 4 local municipalities as a collective and for ongoing leadership and management process within the Capricorn collective of municipalities and for robust engagement with public and private stakeholders, the following objectives that link to the GDS pillars were developed.



Objective: Attract Investment

By 2040 the contribution of the economic sectors through investments attracted in Capricorn will yield over 5,4% growth in the economy and reduce unemployment by 20%

In promoting economic growth and development through attracting investments the focus will be on the economic sectors of: Agriculture, Mining, Manufacturing, Tourism and Construction that have a presence and potential sectors that present new opportunities such as Renewable Energy. All these sectors will be researched and engaged through an economic forum with business labour and communities. A special focus will be developed on the coordination of SMME support for SMME's in all economic sectors on business development, access to finance and markets.

The crowding in of investments for new ventures such as factories, integrated human settlements will be coordinated through a district investment facilitation and marketing programme and a district wide effort to reduce red tape and hassle of doing business especially in the land assembly and preparation processes.

To ensure an inclusive economy, a focussed programme on the poor to create income generating projects for social grantees and indigents will be undertaken, thereby creating a social security net and provide the means for households to contribute to the local economy.

When household income increase, the tax base of the municipality increases, and financial sustainability is built, thus developing a stable economy and society. In developing an inclusive economy, the focus for local municipalities is to ensure that there is universal access to services and facilities to all households. This provides the fundamental base for participation in the economy and improves the quality of life.

Strategies to reach the objective:

Strategy	Predicted Results		
	Short-term 3 years	Medium-Term 3-10 years	Long-Term Beyond 10 years
1. Improve the performance and investment in dominant sectors of the economy through research and engagements with business, labour and communities	Set up of research parameters and forum, Set up an Economic Forum Finalise Terms of Reference Finalise an investment plan to stimulate the economic sectors	Database of local businesses and collation of contribution to economy	Quantification of sector contribution to GDP and reducing of unemployment

Strategy	Predicted Results		
2. Stimulate investment in new sectors of the economy	Feasibility studies	Investment attraction	New sectors contributing to the economy
3. Investment Facilitation and Marketing	Set up of District Coordinating mechanism Development of marketing materials	Value of investments collated	Quantification of investment contribution to GDP and number of new jobs created
4. SMME Coordination on business support, financing and access to markets	Set up of District Coordinating mechanism	SMME incubation results	SMME supported and set up contribution to job creation
5. Including the poor in the Social Security Net through Income Generation projects	Project defined, and business plan finalised with funding	Participants selected and trained	Quantification of impact
6. Implement the SDF to bring about strategic interventions in the district spaces identified	Harmonisation of the district and local SDF's Precinct Plans developed	Implement Precinct Plans	Finalise the physical improvement areas and new development nodes
7. Assemble and Prepare land for integrated human settlements and property developments	Identify available land for development through land audit and inform bulk infrastructure and Precinct Planning	Planning and environmental compliance finalised Bulk infrastructure investment	Efficient and inclusive land market supporting housing and economic growth
8. Reduce the red tape and hassle of doing business	Processes that delay decisions on applications, transfers of property, land use changes, procurement and payment of suppliers reviewed and shortened	A consolidated, comprehensive database for all municipal services accessible to consumers, with accurate reading of services meters, correct billing and delivery of bills to correct addresses.	High ranking and reputation with regard to ease of doing business – tracking and comparison with other cities
9. Uniform service and Universal access to basic services	Coverage of access to basic services assessed,	Uniformity in service provision achieved	Maintain access and quality basic services

Strategy	Predicted Results		
	Plans for eradication of Backlogs finalised	Count of investment and jobs opportunities created	
10. Even access to community facilities	Assess coverage Conduct IGR work to ensure coverage	Red book guidelines implemented	Red book guidelines implemented

Strategic projects will include:

- Polokwane Logistical Hubs; (as per Limpopo Development Plan);
- Agricultural Clusters; (as per Limpopo Development Plan) to be focused on Molemole Local Municipality;
- Tourism Clusters (as per Limpopo Development Plan);
- Special focus on mining in Lepele-Nkumpi Local Municipality; and
- Implementation of the 10 principles of the SDF noted below.

Principle 1: Environmental Management
<ul style="list-style-type: none"> • Develop a CDM Strategic Environmental Assessment and subsequent District Environmental Management Plan. • Establish Environmental Management Procedure/ Unit to oversee proper management and implementation of the EMP.
Principle 2: Hierarchy of Settlements
<ul style="list-style-type: none"> • Brief provincial and national departments on the Hierarchy of Settlements to influence their spending during the IDP Process. • Establish RDP/ Social housing projects only at the nodal points (Rural Allocation remains for rural areas). • Prioritise areas with greatest backlogs for the delivery of basic services – electricity, sanitation, solid waste disposal.
Principle 3: Corridors and Linkages
<ul style="list-style-type: none"> • Incorporate identified Priority Transport Network into the Integrated Transport Plan of the District. • Ensure road upgrading and maintenance in accordance with strategic network – specifically R561- R521 link). • Integrated Public Transport Plan to be informed by nodal and movement network. • Support the Gateway International Airport project. • Establish modal transfer facilities (bus and taxi) at the nodal points. • Establish public transport infrastructure (lay-byes and pick-up and drop-off points) along the Priority Transport Network.
Principle 4: Thusong Centres

- Facilitate incremental establishment of Thusong Centres at each of the identified nodal points.
- Conduct audit of community facilities existing and required per nodal point; prioritise facilities, and feed into IDP process.
- Compile a Precinct Plan for each of the identified nodal areas in the District (in conjunction with Local Municipalities (see attached examples).

Principle 5: Engineering Infrastructure

- Determine the priority areas for providing (upgrade and maintenance) engineering services to and within the nodal points and feed projects into the IDP (bulk and reticulation).

Principle 6: Tourism Promotion

- Strengthen existing Tourism Information Bureau in Polokwane City and erect signage to direct visitors to it, thereby enhancing utilisation.
- Implement CDM Tourism Development Strategy proposals including:
 - Establish CDM Regional Tourism Organisation
 - District Marketing and Distribution Strategy
 - Establish District Tourism Route (Signage)
 - Establish Multifunction Tourism Centre at Motumo Trading Post
 - Establish Tourism Training Centres/ Courses
 - Monitor Tourism Trends in District and Respond
- Properly maintain existing monuments and Nature Reserves.
- Regularly (yearly) update the Tourism Brochure for the CDM and distribute it widely through the Tourism Information Bureau.

Principle 7: Commercial Farming and Fresh Produce Markets

- Finalise land claims in order to create certainty and enhance agricultural production, and to protect Strategic Development Areas.
- Establish Agri Hub at Ga-Poopedi.
- Mobilise Agri Service Centres throughout CDM area.
- Initiate farming training programmes (small scale and subsistence) to enhance agricultural production and to support subsistence farmers.
- Establish local Fresh Produce Markets at each of the nodal points and revitalize the Polokwane Regional Fresh Produce Market.
- Investigate downstream beneficiation opportunities of dominant value chains in CDM.

Principle 8: Mining

- Continuously monitor prospecting, mining and rehabilitation processes in the District via the EMP guidelines and structures.

Principle 9: Industrial and Agro-processing Activities

- Encourage private sector investment in the Polokwane/ Seshego Industrial complex which represents a proclaimed Industrial Development Zone (IDZ)/ Special Economic Zone (SEZ).
- Formulate detailed development strategy for Polokwane/ Seshego Industrial complex.
- Promote agro-processing based on agricultural products produced locally in all rural nodal areas.

Principle 10: Commercial/ Retail Sector and Polokwane CBD

- Earmark land for the establishment of SMMEs in Precinct Plans.
- Encourage the establishment of all higher order offices and other specialist services in the Polokwane City CBD but accommodate local retail and office functions in Precinct Plans for nodal points.



Objective: Invest in Infrastructure

By 2040 there will be a combined asset base in infrastructure that provides full coverage of basic services to all households and businesses and, also have sufficient surplus for new developments

For land to be a strategic driver to economic growth and development, it must be serviced with sufficient infrastructure. This investment in infrastructure is for the public good. It is the foundation of transformation of the landscape and people’s lives.

The investments in infrastructure made by government represents a redistribution of taxes collected. Infrastructure investments must therefore be maintained and cared for as investments in building, operating and maintaining infrastructure provides a source of revenue for municipalities. Large infrastructure projects are magnets to growth and provide job opportunities in the construction sector.

When capital spend on infrastructure is at a level low, it is a lost opportunity to stimulate the economy. And, when the aging infrastructure is not maintained, the result is poor and inadequate urban management.

Investments in infrastructure by government, is a stimulus for economic growth. The construction sector albeit a seasonal employer, creates jobs with the building of roads, laying of pipes and building of bridges, and maintains jobs in cement factories, plants that manufacture bricks and pipes, valves, and transformers. Two opportunities to include all in the economy come up with this through set asides of government budgets: the development of contractors and EPWP.

Strategies to reach the objective:

Strategy	Predicted Results		
	Short-term 3 years	Medium-Term 3- 10 years	Long-Term Beyond 10 years
11. Approach to increasing Capital Investment in Infrastructure from sourcing of funding to spending the funding	District PMU on infrastructure planning and implementation established	Strategic Infrastructure investment programme and fund mobilisation	Strategic Infrastructure investment programme and fund mobilisation
12. District-wide investment in Water Infrastructure	District Master Plan on Water Infrastructure	Water Infrastructure to reach all households & businesses	Maintain and grow infrastructure asset base
13. Crowd in Investment in Infrastructure	Approach to DFI, Private Sector Investors Finalised	Strategic Infrastructure investment	Strategic Infrastructure investment

Strategy	Predicted Results		
		programme and fund mobilisation	programme and fund mobilisation
14. Lobby Treasury for Grant Transfers	Increased technical and financial support agreed to and stated in medium term budgets	Financial Support stated in medium term budgets	Financial Support stated in medium term budgets
15. Coordinating the District Infrastructure Development	Plan finalized and approved by 4 locals and district	Report Back on implementation	Report Back on implementation
16. Consolidated Infrastructure Master Plan	Master Plan on Water, Sanitation, Electricity, Integrated Waste management, Roads and Storm water	Review of Master plan	Review of Master Plan
17. Capital Investment Framework	Capital Investment Framework finalized and approved	Capital Investment Framework implemented	Capital Investment Framework implemented and Reviewed
18. Shared services for Implementation	Linkage between PMU and Finance on bids and supply chain processes established Linkage between PMU and Planning for permissions established Funded Projects for implementation identified and prioritised	Funded Projects for implementation identified and prioritised	Funded Projects for implementation identified and prioritised
19. EPWP linkages to infrastructure investment	Recruitment, management and reporting on job opportunities	Recruitment, management and reporting on job opportunities	Recruitment, management and reporting on job opportunities
20. Contractor Development Programme (CDP)	Finalise Set Aside on the capital Budget Finalise CDP agreement with Public Works	Implement and scale-up CDP	Implement and scale-up CDP

Strategy	Predicted Results		
	Set targets for number of contractors		
21. Engage with Private Sector to develop green-field projects	Finalise Land Release and bulk contributions on green-field projects	Implement Land Release and bulk infrastructure investment	Implement Land Release and bulk infrastructure investment



Objective: Develop Skills to support Economic Growth

By 2040 youth unemployment will be reduced by 30% and skilled youth will drive Capricorn into a modern economy

Human resource development must address the development of human capabilities, abilities, knowledge and know-how to meet the people's ever-growing needs for goods and services. While this aspect is not directly under the control of local government, local government is in a unique position to facilitate a process to influence how the development of skills matches the demand for skills thereby directing the district economy towards high skills and decent wages.

While improved training and education are fundamental to higher employment levels, the introduction of more advanced technologies in the production processes, leads to an inability for labour to be absorbed. This leads to increased inequalities and stubborn unemployment. Thus, to match skills to demands requires a focus on both training and education as well as technology. This means that a focus on understanding what drives the economy and how technology choices lead to competitiveness is needed.

To gain an understanding of the skills that would drive industries into competitiveness would require thorough research into the dominant and potential industries that have a presence in the district. Higher labour productivity will be the result of new attitudes towards work in the context of overall economic reconstruction and development when the district leaders engages with workers and potential workers, organised labour and business. When citizens acquire and develop the knowledge and skill necessary for occupational tasks and for other social, cultural, intellectual, and political roles that are part and parcel of a vibrant democratic society they improve their standard of living and quality of life.

Given the exceptionally high rates of youth (15 -34) without jobs, facilitating access for youth to acquire skills development and increase the skills base through diversification of skills is a priority for the GDS to reach its goals. This can be done by facilitating the linkages between the local skills development needs and the national and provincial programmes; and facilitate the supply of labour for projects and service delivery programmes of the district; as well as training, mentoring and support for the developing economic enterprises.

Strategies to reach the objective:

Strategies	Predicted Results		
	Short-term 3 years	Medium-Term 3-10 years	Long-Term Beyond 10 years
22. Develop the next generation of workers through research on the sectors of the economy and skill requirements	Plan to conduct research approved, relevant expertise procured, and	Results of research shared with Labour and Industry and Higher Education Dept	Evidence of first batch of youth employed in skilled jobs as required by the economy

Strategies	Predicted Results		
	assessments commenced		
23. Consult with industry on skills need for future	Engage with industries through the Economic Forum	Engage with industries through the Economic Forum	Engage with industries through the Economic Forum
24. Engage the education sector on the future jobs	Engage with the education sector through the Economic Forum	Engage with the education sector through the Economic Forum	Engage with the education sector through the Economic Forum
25. Stimulate and capacitate entrants into the business world	Finalise feasibility on incubation and financial support	Incubation results of new entrants' survival and achievements	Track the human resource capability of new ventures
26. Engage the unemployed	Finalise business plan and funding for engaging the unemployed	Results of programme reported	Track the employment of those on the programme
27. Up skill to fit into the value chain of the infrastructure programme	Finalise the business plan for Contractor Development	Results of the programme reported	Results of the programme reported
28. Develop artisanal skills for local needs	Finalise the business plan for developing artisanal skills for local needs and secure funding and partnerships for this	Results of the Programme reported	Track the employment of those on the programme

Objective: Make Social Security a Reality

By 2040 the poor, children and the aged, those who are abled and those who are differently abled will have access to social security and will be fully and sustainably included in Capricorn’s social and economic life

There is a social wage available to uplift households from deep poverty. In addition, the poor must be included with opportunity to build up a better life. An inclusive economy is about ensuring that all the social security net programmes are accessible and fully exploited for the purposes of building a better future. Programmes such as free health care, no fee schools, free education in technical vocation education, financial support for university students coming from households below certain income thresholds, in addition to free basic water and electricity, and social grants often fail to reach those who are in need.

In making social security a reality full coverage to all who qualify: children for schooling and education, youth for tertiary education and vocational training, all households access to free health care, and qualifying households in terms of social grants must be achieved.

As local government is closest to the people, the district must ensure that all qualifying households do indeed access these services. However, these services are outside the mandate of the municipality, thus the Intergovernmental Relations processes need to be utilized and engaged in a robust manner.

While carrying the function of Council through ward committees, public participation and other engagements, local Councillors can and must play an ethical and transparent role to make the necessary linkages to ensure households access social security.

The three strategic objectives above all have a dimension to include the poor in active programmes to become less dependent on social security.

Strategies to reach the objective:

Strategies	Predicted Results		
	Short-term 3 years	Medium-Term 3-10 years	Long-Term Beyond 10 years
29. Including the poor	Ward Committee programmes to reach out to the poor on the needs and access to social security services	Ward Committee programmes to reach out to the poor on the needs and access to social security services	Ward Committee programmes to reach out to the poor on the needs and access to social security services

Strategies	Predicted Results		
30. District –wide register of poor households	Finalise business plan, secure funding, Register shared with national department and provincial departments	Register in place and updated, and targeting by departmental programmes tracked.	Register in place and updated, and targeting by departmental programmes tracked.
31. Activity Based IGR Engagement	Finalise an IGR programme to cover, health, education, social development and other social security needs Terms of Reference and schedule of meetings and in loco visits	Spatial targeting of departmental investment according to district SDF and GDS objectives	Spatial targeting of departmental investment according to district SDF and GDS objectives



KEY INTERVENTIONS

Intervention	Focus / Actions
<p>Intervention 1: Building a Competitive Economy and Attracting Investment.</p> <ul style="list-style-type: none"> • Renewable Energy • New Growth Nodes • Agriculture Development • Bulk Water Supply • Connecting Roads 	<p>(a) Build Renewable Energy in order to provide competitive energy prices for industry.</p> <ul style="list-style-type: none"> • This should be used to attract and support identified industries, SMMEs and geographic areas. <p>(b) Developing/Consolidating New Urban Nodes identified in the Spatial Development Framework focusing on:</p> <ul style="list-style-type: none"> • Commercial development: • Retail, Municipal Offices, Provincial & National government department offices (SASSA, Homes Affairs, Agriculture, health, libraries, etc). • Light industry • Furniture makers, welders, electronic repairs and installers, plumbers, electricians, cement product manufacturers, panel-beaters, mechanics, etc. • Residential Development including all social classes in a balanced manner: <ul style="list-style-type: none"> • RDP housing • Social housing/Rental • Gap Market • Low middle class • Stands for the middle class. <p>(c) Agricultural Development</p> <ul style="list-style-type: none"> • Set aside land for grazing in order to support local subsistence cattle and goat farmers. • Establish Irrigation Schemes in order to alleviate dependence on dry farming. <p>(d) Implementing the Tourism Strategy</p> <ul style="list-style-type: none"> • Identify tourist attraction areas for development with the private sector. • Focus on providing accommodation and roads. • Assist the participants in the industry to sell their products in the foreign market. • Work out a marketing strategy for the local market, coordinating efforts and resources with other municipalities, provincial and national authorities. <p>(e) Bulk Water Infrastructure</p> <ul style="list-style-type: none"> • Determine critical long-term water requirements to support growth and development of the District. • Implement a Bulk Water Supply Infrastructure in accordance with the rolling out of new growth nodes. <p>(f) Connecting Roads</p> <ul style="list-style-type: none"> • Identify major roads that connect the different parts of the District.

	<ul style="list-style-type: none"> • Roads connecting the District to key provincial and national roads. • Sign an Intergovernmental Framework that commits all local municipalities, provincial and national authorities in a sustained implementation of such roads infrastructure.
Intervention 2: Focus on Skills Development to support the economy and prepare the youth for the future.	<ul style="list-style-type: none"> • Develop and Implement an Early Childhood Development Programme of the District. • Support schools in the District to increase performance in Maths, Literacy and Science. • Support providers of post-schooling education that feeds into identified sectors for growth areas of skills shortage in the District such as real estate development, retail, business services, tourism, light industry, agriculture, etc
Intervention 3: Building a Strong Social Safety Net to alleviate Poverty.	<ul style="list-style-type: none"> • The District has to draw and implement a programme aimed at ensuring that all its qualifying citizens benefit from: <ul style="list-style-type: none"> • Free Basic Services. • Free Health Care • No fee education in public schools. • Free university education. • Implement a programme to coordinate Public Works Programmes from all municipalities, provincial and national departments. • Implement income generating projects to alleviate poverty. • Coordinate the establishment of vegetable gardens in vulnerable households, communities and schools.

The advantages of these interventions flowing from the objectives and strategies section is that they provide a strategic focus on critical elements and actions that will consolidate urban and rural development according to a cohesive district spatial and economic development pattern for the future, one that will meet the needs of overcoming poverty, inequality and unemployment.

This approach will also bring urban services in rural areas and building a third layer in urban hierarchy by concentrating government services and bring them closer to rural communities. It will concentrate service infrastructure such as bulk water, electricity and sanitation and make service provision (water, electricity, sanitation and refuse removal) cheaper and accessible. It will protect grazing land. It will provide opportunities for irrigation agriculture. It will CONCENTRATE INVESTMENT in rural areas.

IMPLEMENTATION

The recasting of the strategy with the pillars and strategic objectives provides a programmatic way in which the GDS 2040 mainstreams programmes and key performance areas of the CDM and the 4 local municipalities as a collective.

Implementation of growth is about leadership as a driving force that brings together all stakeholders to play their part to realise the goals of the GDS. And, the implementation of development is about ensuring that all citizens are active participants in making the GDS a reality.

The GDS will not be implemented if technical work on business plans, shaping of programmes, looking into financing modalities and monitoring and evaluation mechanisms as well and sound management are not worked on.

Thus, the first step towards implementation is mainstreaming the GDS as an ongoing leadership and management process within the Capricorn collective of municipalities and in engagement with public and private stakeholders.

This mainstreaming must be about going beyond technical strategic planning as a mechanical and compliance process to building a capability and culture of strategic thinking. This can happen through setting up strategic research processes, discussion forums and on-going evaluation.

Implementation of the GDS has four strategic aspects:

- Steering, Technical and Advisory Committees
- Mainstreaming and Compliance
- Strategic Engagements
- GDS Implementation Pledges

STEERING COMMITTEE, TECHNICAL COMMITTEE AND ADVISORY COMMITTEE

The Steering Committee of the GDS is a leadership committee. The District Executive Mayor and the Local Executive Mayors as well as two representatives from the District Executive Committee and from each of the Local Executive Committees should form the GDS Steering Committee.

The role of these leaders will be to oversee, guide and direct the implementation of the GDS.

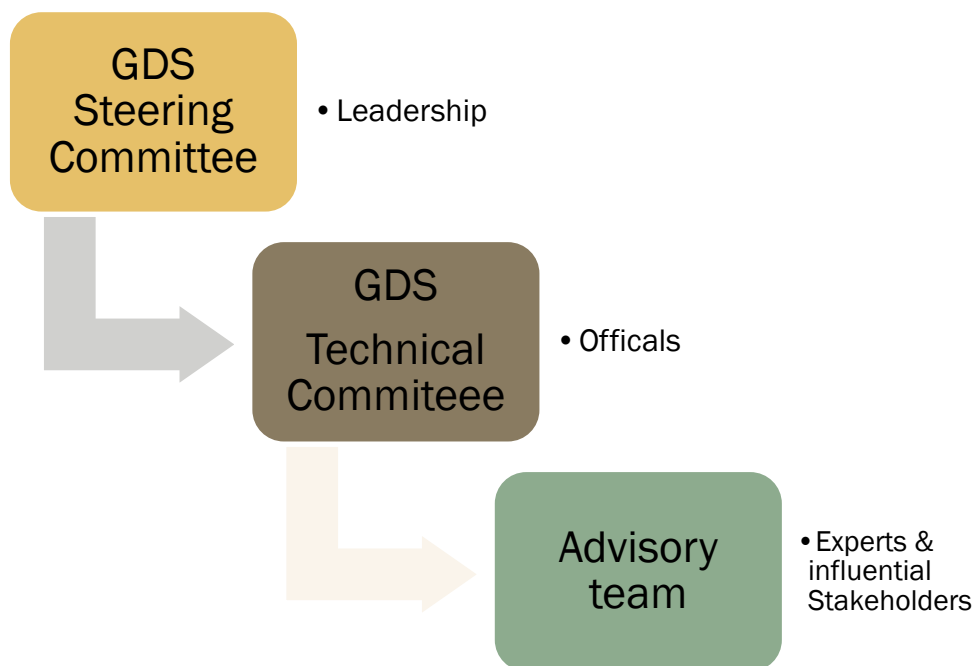
The Technical committee of the GDS, is technical support to the Steering Committee. The technical committee will comprise of the municipal managers and the senior management teams of the district and the local municipalities.

The role of this team, other than ensuring a secretariat for steering committee meetings, is to prepare the necessary reports, plans and strategies for presentation to the steering committee.

The Steering Committee and Technical Committee should meet once a quarter with the purpose of tracking progress on implementation and having collective reflection on the new conditions and achievements.

These two committees, if set up and implemented would assist to carry out the District function as set out in the Municipal Structures Act 117 of 1998, to achieve the integrated sustainable and equitable social and economic development of its area as a whole.

The Advisory Committee is a committee of experts which can be assembled on an annual basis or as and when required.

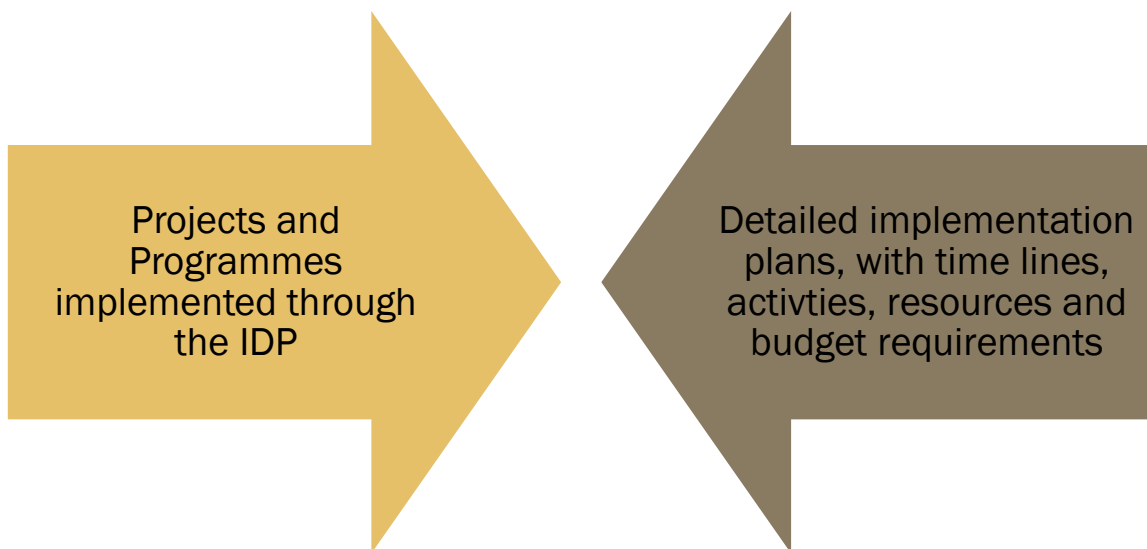


MAINSTREAMING AND COMPLIANCE

Across the District the institutions of government will adopt the GDS 2040 as the Apex Strategy.

The implementation of GDS 2040 will be mainstreamed into the five-year IDP's of the District and Local Municipalities.

The delivery of plans of projects and strategies in the GDS will thus find themselves in the IDP's in the relevant sector plans. The annual budgets will ensure funding and the performance plans will cover the monitoring and evaluation of delivery. Thus, the compliance required of municipalities including the supply chain processes will enable the realisation of the GDS over the long term.



As the GDS strategic objectives cover a range of matters that are not totally within the direct control of local government, it is necessary to consistently work to influence national and provincial spheres, private sector and investors to support, participate, fund and adopt the GDS projects and programmes.

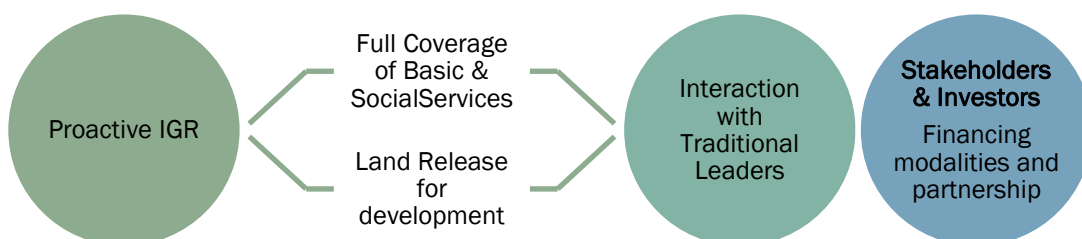
This aspect of actives will assist to make the GDS possible, especially as the GDS requires an investment that goes beyond the reach and range of the current municipal budgets.

STRATEGIC ENGAGEMENTS

Strategic engagements include Proactive IGR, with other spheres of government on two critical matters:

- Full Coverage on basic services
- Land release for development

A part of IGR, is the special engagement required for land release and the delivery of basic services.



The other strategic set of engagements are engagements with stakeholders and investors. This set of engagements needs to be regular and consistent.

Once projects are clearly defined, engagements with investors on financing modalities and with the private sector on partnerships will be undertaken.

GDS IMPLEMENTATION PLEDGES AND ACTIONS: DISTRICT COLLECTIVE

The Capricorn district and local municipalities working together in a unified way with social actors must pledge commitment to achieving the goals and objectives set out in the Capricorn GDS 2040 by outlining each of their contributory actions as per the matrix template below which has to be developed and managed as an on-going implementation tool. For each strategy under each Objective, there should be an indication of the pledge and key actions that will be committed and undertaken by each municipality and social partner.

This process has to enable continuity through the new five local government terms that come up from now to 2040 where the baton must be passed on seamlessly towards delivering the GDS:

	Objective 1	Objective 2	Objective 3	Objective 4
	Investment Attraction	Infrastructure Investment	Skills Development	Social Security
Capricorn DM				
Blouberg LM				
Lepelle-Nkumpi LM				
Molemole LM				
Polokwane LM				
Organised Labour				
Organised Business				
Organised Community				
Research/Academic				
Sector Departments				

Thus, the GDS 2040 will take into account the constructive participation of each local municipality, of organised business and organised labour and organised community groups towards the achievement of the district growth and development objectives and work towards encouraging citizens to be active in promoting higher standards of living in their communities.